

FORM A

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
OR MERGER WITH A DOMESTIC INSURER**

GREAT LAKES CASUALTY INSURANCE COMPANY

Name of Domestic Insurer

by

ENSTAR HOLDINGS (US) INC.

Name of Acquiring Person ("Applicant")

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SEP 01 2017

INSURANCE EVALUATION DIVISION

Filed with the Michigan Department of Insurance and Financial Services

Dated: As of August 31, 2017

Name, Title, address and telephone number of Individual to Whom Notices and Correspondence
Concerning This Statement Should Be Addressed:

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With a copy to:

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SVP, Corporate Counsel
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ITEM 1. INSURER AND METHOD OF ACQUISITION

The name of the domestic insurer to which this Form A Statement regarding the Acquisition of Control of a Domestic Insurer (“Form A”) relates is Great Lakes Casualty Insurance Company (“Great Lakes”). Great Lakes is sometimes referred to as the “Domestic Insurer”.

Great Lakes is a property and casualty insurance company, authorized to transact property, ocean marine, inland marine, automobile and casualty insurance in Michigan. Its outstanding business is currently in run-off. Great Lakes incorporated in Michigan, on September 27, 1995, and commenced business on April 25, 1997. Its Resident Agent address is 40600 Ann Arbor Road East, Suite 201, Plymouth, MI 48170-4675. The statutory home office address of the Domestic Insurer is 4601 Touchton Road East, Suite 3400, Jacksonville, FL 32246. Main Street America Financial Corporation (“Main Street America”), a New Hampshire corporation, is the direct parent company of Great Lakes owning all of the issued and outstanding shares of capital stock of Great Lakes. The ultimate parent company is Main Street America Group Mutual Holdings, Inc., a Florida corporation.

Enstar Holdings (US) Inc., the Applicant, is a Delaware corporation and ultimately owned by Enstar Group Limited¹, a Bermuda corporation, the stock of which is publicly traded on NASDAQ (“Enstar”). Enstar, directly and through its subsidiaries, is in the business of active underwriting, the acquisition and management of insurers and reinsurers in run-off and provides management, consulting and other services to the insurance and reinsurance industry.

On August 25, 2017, Main Street America (“Seller”), and Enstar Holdings (US) Inc., (“Enstar Holdings”), entered into a Share Purchase Agreement for the purchase and sale of 100% of the shares of Great Lakes by Enstar Holdings. Following the closing (the “Closing”) of the transaction contemplated (the “Proposed Transaction”), Enstar Holdings (US) will own 100% of the shares of Great Lakes, and as a result will control the Domestic Insurer. A copy of the Share Purchase Agreement is attached hereto as **Exhibit A**.

¹ On March 4, 2016, Canada Pension Plan Investment Board (“CPPIB”) acquired ordinary voting shares of Enstar Group Limited (“Enstar”), representing approximately 4.6% of Enstar’s total voting shares. On March 9, 2016, CPPIB contributed the newly-acquired shares to CPPIB Epsilon Ontario Limited Partnership, a newly-established Ontario limited partnership. CPPIB is the sole limited partner of the limited partnership and CPPIB Epsilon Ontario Trust is the sole general partner of the limited partnership. Mr. Poul Winslow, an employee of CPPIB and director of Enstar, is the sole trustee of the trust. After giving effect to the contribution of shares to the limited partnership, CPPIB and the limited partnership hold approximately 9.3% and 4.6%, respectively, of Enstar’s total voting shares. Nevertheless, CPPIB entered into a special commitment with the New York State Department of Financial Services, dated February 17, 2016, pursuant to which CPPIB agreed, among other things, not to directly or indirectly vote more than 9.9% of the outstanding voting common stock of Enstar. As a result of this special commitment, CPPIB does not control Enstar.

Completion of the Proposed Transaction is conditioned on, among other things, approval of the Proposed Transaction by the Michigan Department of Insurance and Financial Services (the "Department"), any other approval, consent or non-objection of any governmental authority required in connection with the acquisition, and satisfaction of various customary closing conditions.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

Enstar Holdings (US) Inc.
150 2nd Ave N 3rd floor
St. Petersburg, FL 33701
Attention: Paul Brockman

(b) The Applicants' Business Operations

Enstar Holdings is a corporation formed under Delaware law on July 30, 2003. Enstar Holdings has not conducted any business other than serving as a vehicle for owning stock in other corporations.

Enstar Holdings' ultimate parent, Enstar Group Limited ("Enstar") is a publicly-traded Bermuda exempted company in the business of acquiring and operating insurers and reinsurers located throughout the world, which are in run-off. In 2013, Enstar expanded into live underwriting through its acquisition of the Atrium Underwriting Group Limited, Arden Reinsurance Company Ltd and StarStone, a global property & casualty and specialty lines insurer with multiple global underwriting platforms including Lloyds Syndicate 1301. A more detailed description of Enstar and its business is contained in its Annual Reports on Form 10-K which were filed with the United States Securities and Exchange Commission ("SEC") and which were recently submitted for the previous five years to the Department as part of the Affirmative Insurance Company of Michigan Form A Statement of Acquisition application and are incorporated by reference. A copy of the quarterly report on Form 10-Q for Enstar, for the period ending on June 30, 2017, is attached hereto as Exhibit B. Unaudited annual financials of the Applicant, for 2016, and unaudited financials for the quarterly period ended June 30, 2017, are attached hereto as Exhibit C.²

(c) Organizational chart

An organizational chart presenting the identities of and the interrelationships among Applicant and its affiliates (the "Organizational Chart") is attached hereto as Exhibit D (see page 6 for

² Enstar Group Limited, the ultimate parent files its annual financial statements on a consolidated basis and audited stand-alone statements of the Applicant are therefore not available.

Applicant). The Organizational Chart sets forth the type of organization and the state or other jurisdiction of domicile for each person specified therein. There are currently no court proceedings pending involving a reorganization or liquidation with respect to the Applicant or any of its affiliates listed on the Organizational Chart.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

(a) (i) A list of all current directors and executive officers of Applicant, and of the companies which, directly or indirectly, own 10% or more of the voting securities of Applicant is attached hereto as **Exhibit E**. A list of the proposed directors and executive officers of the Domestic Insurer is attached hereto as **Exhibit F**.

(ii) Biographical affidavits for the proposed directors and/or executive officers of the Domestic Insurer are attached hereto as **Exhibit G**. Current biographical affidavits on behalf of the directors and executive officers of the ultimate controlling parent company of Applicant, Enstar Group Limited, were recently submitted as part of the Form A Statement application for the acquisition of Affirmative Insurance Company of Michigan and are on file with the Department and are incorporated by reference.

(b) Except as may be disclosed in the biographical affidavits, to the Applicants' knowledge, none of the individuals identified in **Exhibit E** has been convicted in a criminal proceeding (excluding minor traffic violations) during the last 10 years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

As more fully set forth in the Share Purchase Agreement ("SPA") and subject to the terms and conditions set forth therein, at the Closing, the purchase price for Great Lakes shall be \$8,000,000 (Eight Million Dollars) subject to adjustment as set forth in Section 2.05 of the SPA.

(b) Criteria Used in Determining Consideration

The Purchase Price was reached through arm's length negotiations between Enstar Holdings and Seller. There are no affiliations between Enstar and its affiliates and the Domestic Insurer.

ITEM 5. FUTURE PLANS OF INSURER

Except as otherwise may be disclosed in this Form A or the Business Plan for the Domestic Insurer, the Applicant has no present intention to declare an extraordinary dividend from the Domestic Insurer, to liquidate the Domestic Insurers or to sell its respective assets to

any other person or persons. However, following its acquisition, Applicant intends on merging Great Lakes with one of Applicant's affiliates, Clarendon National Insurance Company. A copy of the Business Plan including 4-years of financial projections is attached hereto as **Exhibit H**.

As more fully set forth in the Business Plan, Applicant anticipates that following the merger, the surviving entity, Clarendon National Insurance Company, will continue to run off Great Lakes' remaining business to its completion. The Applicant reserves the right to review the business, assets, corporate structure, dividend policy, capitalization, operations, properties, business policies, articles of incorporation, by-laws, management and personnel of the Domestic Insurer, and, subject to applicable state insurance regulatory requirements, make any further changes that the Applicant deems appropriate in light of such review or future developments.

The Applicant currently contemplates that after the consummation of the Proposed Transaction, the individuals set forth on **Exhibit F** will be the directors and executive officers of the Domestic Insurer. Detailed information regarding these individuals is provided in the Biographical Affidavits.

The Proposed Transaction will not substantially lessen competition in insurance in Michigan or create a monopoly in Michigan due to Great Lakes' run-off status. Further, no insurance company that, directly or indirectly, is owned or controlled by Applicant competes in any material respect with the Domestic Insurer's line of business written in Michigan.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Pursuant to the terms and subject to the conditions set forth in the Share Purchase Agreement, on the Closing date, Great Lakes will become an indirect, wholly-owned subsidiary of Enstar. Enstar Holdings will hold directly the shares of Great Lakes, which represent 100% of the issued and outstanding capital stock of Domestic Insurer. The authorized capital stock of Great Lakes consists of 2,000,000 shares of common stock, with a par value of \$1 per share, all of which are issued and outstanding. The shares have been duly authorized and validly issued and are fully paid and non-assessable. The shares represent the only issued and outstanding equity securities of the Company. All of the shares were issued in compliance with applicable laws.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than the shares directly or indirectly owned by Enstar Holdings and Enstar, there are no securities of the Domestic Insurer that are beneficially owned or concerning which there is a right to acquire beneficial ownership by Applicant, its respective affiliates or any person listed in either **Exhibit E** or **Exhibit F**.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Other than the Share Purchase Agreement and the Proposed Transaction, there exists no contract, arrangement or understanding with respect to any voting security of Domestic Insurer in which the Applicant, its respective affiliates or any person listed in **Exhibit E** or **Exhibit F** is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Other than the Share Purchase Agreement and the Proposed Transactions, there have been no purchases of any voting securities of the Domestic Insurer by the Applicant, its respective affiliates or any person listed in **Exhibit E** or any person listed in **Exhibit F** during the twelve (12) calendar months preceding the filing of this Form A.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Other than the Purchase Agreement and the Proposed Transaction, there have been no recommendations to purchase any voting security of the Domestic Insurer made by the Applicant, its respective affiliates or any person listed in either **Exhibit E** or **Exhibit F** or by anyone based upon interviews or at the suggestion of Applicant, its affiliates or any person listed in **Exhibit E** or **Exhibit F** during the twelve (12) calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

There are no agreements, contracts or understandings made between the Applicant, its respective affiliates, or any person listed in either **Exhibit E** or **Exhibit F**, on the one hand, and any broker-dealer, on the other, as to solicitation of voting securities of Domestic Insurer for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Attached hereto are the following exhibits:

- Exhibit A: Share Purchase Agreement
- Exhibit B: Enstar Group Limited, Quarterly Report on Form 10-Q as of June 30, 2017.
- Exhibit C: Enstar Holdings (US) Inc. Financial Statements
 - Unaudited Financial Statement as of December 31, 2016
 - Unaudited Quarterly Report as of June 30, 2017

- Exhibit D: Organizational Chart of Enstar Group Limited and Its Affiliates
- Exhibit E: List of Current Directors and Executive Officers of Applicant and of 10% (+) Owners
- Exhibit F: List of Proposed Directors and Executive Officers of Domestic Insurer
- Exhibit G: Biographical Affidavits for the proposed Directors and Executive Officers of the Domestic Insurer
- Exhibit H: Narrative Business Plan and four years of financial projections for Domestic Insurer

(b) Other than the Share Purchase Agreement and the Proposed Transactions, there are no tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the Domestic Insurer, or additional soliciting material relating thereto.

(c) Except as otherwise may be disclosed in the respective Business Plan, there are no proposed employment, consultation, advisory or managing contracts concerning the Domestic Insurer.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

Applicant agrees to provide to the best of its knowledge and belief the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

[Signature Pages Follow]

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Section 1311 of the Insurance Code of 1956 as amended, Enstar Holdings (US) Inc. has caused this application to be duly signed on its behalf in the City of New York and State of New York, on the 31st day of August, 2017.

(SEAL)

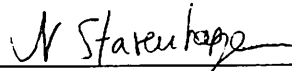
ENSTAR HOLDINGS (US) INC.

By: 

Name: Robert Redpath

Title: Director and Assistant Secretary

Attest:


Name: Nadja Stavenhagen
Title: Assistant Secretary

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated August 31, 2017, for and on behalf of Enstar Holdings Inc., that he is the Director and Assistant Secretary of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts set forth therein are true to the best of his knowledge, information and belief.



Name: Robert Redpath

Title: Director and Assistant Secretary